

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

RECEIVED  
MAR 14 2001  
PUBLIC SERVICE  
COMMISSION

HILLRIDGE FACILITIES INC Case 2001-062  
Name of Utility

17825 BRADBE RD. FISHERVILLE, KY 40023  
Business Mailing Address

Telephone Number 502 / 267-7091  
Area Code Number

FILED

MAY 17 2001

I. Basic Information

PUBLIC SERVICE  
COMMISSION

NAME, TITLE, ADDRESS and telephone number of the person to whom correspondence or communications concerning this application should be directed:

NAME: DON RIDGE

Address: 17825 BRADBE RD. FISHERVILLE, KY 40023

Telephone Number: 502-267-7091

- |  |                                      |                                     |
|--|--------------------------------------|-------------------------------------|
| 1) DO you have 500 customers or fewer?   | Yes                                  | <input checked="" type="radio"/> No |
| 2) Do you have \$300,000 in Gross Annual Revenue or less?  | <input checked="" type="radio"/> Yes | No                                  |
| 3) Has the utility filed an annual report with this Commission for the past year and the two previous years? | <input checked="" type="radio"/> Yes | No                                  |
| 4) Are the utility's records kept separate from any other commonly-owned enterprise?                         | <input checked="" type="radio"/> Yes | No                                  |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

## II. Increased Cost Information

- (1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for this rate revision is the one filed with the Commission for the 12 months ending December 31, 2000.

- a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per</u> <u>Annual Report</u>	<u>Amount Per</u> <u>Annual Report</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Adjusted</u> <u>Amount</u>
<u>Revenue</u>	\$ 173,435.14	\$	\$ 173,435.14

Total Revenue	\$ <u>173,435.14</u>	\$ _____	\$ <u>173,435.14</u>
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### Expense

Mgt. Fee	2,400.00	2,400.00
Sludge Hauling	32,830.58	32,830.58
Fuel & Power	31,742.42	31,742.42
Chemicals	13,360.60	13,360.60
Routine Maint.	25,712.54	25,712.54
Customer Rec. & Collection	6,194.85	6,194.85
Office Sup	14,476.62	14,476.62
Outside Ser	17,239.83	17,239.83
Insurance	3,756.19	3,756.19
Maint. of Gen. Plant	44,832.16	44,832.16
Depreciation	19,286.04	19,286.04
Taxes	5,300.97	5,300.97

Total Expense	\$ <u>217,132.80</u>	\$ _____	\$ <u>217,132.80</u>
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Revenue Less Expense <Loss>	\$ <u>(43,697.66)</u>	\$ _____	\$ <u>(43,697.66)</u>
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- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Flat Rate Rev Gen Customers (695)	\$20.38/mo	\$30.38/mo	50%

### III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

Major repairs to existing sewer lines needed.  
Present estimates are \$40,000 and expected to last 10 years.

- 2) Total number of customers as of the date of filing: 695

- 3) Total amount of increased revenue requested: \$79,984

- 4) Please circle Yes or No:

- a) Does the utility have outstanding indebtedness? (To Shareholder?) ☒ Yes ☐ No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc (Upon Request)

- b) Were all revenues and expenses listed in the Annual Report for 2000 incurred and collected from January 1 to December 31 of that year? ☒ Yes ☐ No

If no, list total revenue and total expense incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2000 and the amount shown on this schedule. See Attached
- 6) If utility is a sewer utility:
  - a) Attach a copy of the latest State and Federal Income Tax Returns. (See Attached)
  - b) How much of the utility plant was recovered through the sale of lots or other contributions NONE  
\$ or %? (If unknown, state the reason.)

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Last rate adjustment approved September 17, 1990 was based on calendar year 1988.  
Total operating expenses have increased from approximately \$145,000 to \$217,000 over 12 years (estimated 3.5% increase per year).  
Additional revenue is needed to achieve 88% operating ratio (as approved per last adj.)

#### IV. Billing Analysis (N/A)

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using a declining block rate design. This billing analysis is not intended for companies using a flat rate design.

##### a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level  
432 Bills  
518,400 gallons used  
All bills use 2,000 gallons or less, therefore,  
all usage is recorded in Column 4.

Step 2: Next 3,000 gallons rate level  
1,735 Bills  
4,858,000 gallons used  
1st 2,000 minimum x 1,735 bills = 3,470,000  
gallons - record in Column 4  
Next 3,000 gallons - remainder of water over  
2,000 = 1,388,000 - record in Column 5

Step 3: Next 10,000 gallons rate level

1,830 Bills

16,268,700 gallons used

1st 2,000 minimum x 1,830 bills = 3,660,000

gallons - record in Column 4

Next 3,000 gallons x 1,830 bills = 5,490,000

gallons - record in Column 5

Next 10,000 gallons - remainder of water over 3,000

= 7,118,700 gallons - record in Column 6

Step 4: Next 25,000 gallons rate level

650 Bills

15,275,000 gallons used

1st 2,000 minimum x 650 bills = 1,300,000

gallons - record in Column 4

Next 3,000 gallons x 650 bills = 1,950,000

gallons - record in Column 5

Next 10,000 gallons x 650 bills = 6,500,000

gallons - record in Column 6

Next 25,000 gallons - remainder of water over 10,000

= 5,525,000 gallons - record in Column 7

Step 5: Over 40,000 gallons rate level

153 Bills

9,975,600 gallons used

1st 2,000 minimum x 153 bills = 306,000

gallons - record in Column 4

Next 3,000 gallons x 153 bills = 459,000

gallons - record in Column 5

Next 10,000 gallons x 153 bills = 1,530,000

gallons - record in Column 6

Next 25,000 gallons x 153 bills = 3,825,000

gallons - record in Column 7

Over 40,000 gallons - remainder of water over 25,000

= 3,855,600 gallons - record in Column 8

Step 6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains revenue produced.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding. **89-347** (See case number)

b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
P. O. Box 615  
Frankfort, Kentucky 40602

Telephone: 502/564-3940

c. One copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

- 2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation. Will Post Proper Notice Upon Rate Adj. Approval
- 3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director, or by calling 502/564-3940.
- 4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed ☒

Don H. Lutz  
Officer of the Company

Title ☒

Pres

Date ☒

3-18-01



Form 1120

## U.S. Corporation Income Tax Return

OMB No. 1545-0123

2000

Department of the Treasury  
Internal Revenue Service

For calendar year 2000 or tax year beginning \_\_\_\_\_, 2000, ending \_\_\_\_\_, 20\_\_\_\_

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice

## A Check if a:

- 1 Consolidated return (attach Form 851) ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) ☐

Use  
IRS  
label.  
Other-  
wise,  
print  
or type.

Name

HILLRIDGE FACILITIES, INC.

Number, street, and room or suite no. (if a P.O. box, see page 7 of instructions.)

17825 BRADBE ROAD

City or town, state, and ZIP code

FISHERVILLE, KY 40023

B Employer identification number

61-0977430

C Date incorporated

09/01/1965

D Total assets (see page 8 of instructions)

## E Check applicable boxes:

(1) Initial return (2) Final return (3) Change of address

Income	1a	Gross receipts or sales	161,126.	b	Less returns and allowances		c	Bal	1c	161,126.
	2	Cost of goods sold (Schedule A, line 8)							2	
	3	Gross profit. Subtract line 2 from line 1c							3	161,126.
	4	Dividends (Schedule C, line 19)							4	
	5	Interest							5	
	6	Gross rents							6	
	7	Gross royalties							7	
	8	Capital gain net income (attach Schedule D (Form 1120))							8	
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)							9	
	10	Other income (see page 8 of instructions - attach schedule)							10	308.
	11	Total income. Add lines 3 through 10							11	161,434.
Deductions	12	Compensation of officers (Schedule E, line 4)							12	2,400.
	13	Salaries and wages (less employment credits)							13	
	14	Repairs and maintenance							14	
	15	Bad debts							15	
	16	Rents							16	
	17	Taxes and licenses							17	5,279.
	18	Interest							18	
	19	Charitable contributions (see page 11 of instructions for 10% limitation)							19	
	20	Depreciation (attach Form 4562)							20	3,576.
	21a	Less depreciation claimed on Schedule A and elsewhere on return							21a	
	22	Depletion							22	
23	Advertising							23		
24	Pension, profit-sharing, etc., plans							24		
25	Employee benefit programs							25		
26	Other deductions (attach schedule)							26	146,727.	
27	Total deductions. Add lines 12 through 26							27	157,982.	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							28	3,452.	
Less:	a	Net operating loss (NOL) deduction (see page 13 of instructions)	29a	3,452.					29a	
	b	Special deductions (Schedule C, line 20)	29b						29b	
29c								29c	3,452.	
30	Taxable income. Subtract line 29c from line 28							30	0.	
31	Total tax (Schedule J, line 11)							31	0.	
Payments	32a	Payments: a 1999 overpayment credited to 2000							32a	
	32b	b 2000 estimated tax payments							32b	
	32c	c Less 2000 refund applied for on Form 4466							32c	
	32d	d Bal						32d		
	32e	e Tax deposited with Form 7004						32e		
	32f	f Credit for tax paid on undistributed capital gains (attach Form 2439)						32f		
	32g	g Credit for Federal tax on fuels (attach Form 4136). See instructions						32g		
33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached							33		
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed							34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid							35		
36	Enter amount of line 35 you want: Credited to 2001 est. tax ▶ Refunded ▶							36		

Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Preparer's

signature

Date

Check if

Preparer's SSN or PTIN

Paid

Preparer's

Use Only

Firm's name (or

WILLIAM W. HOLLISTER, PSC

EIN

61-1175331

yours if self-employed)

7607 PRESTON HIGHWAY

address, and ZIP code

LOUISVILLE, KY

Phone no.

40219

## FORM 1120 SUPPORTING STATEMENT

2000

PAGE 1

HILLRIDGE FACILITIES, INC.

EIN 61-0977430

FORM 1120, PAGE 1 SUPPORTING DETAIL

## 10 Other income

DESCRIPTION	AMOUNT
INTERST INCOME	308.
	=====
TOTAL AMOUNT:	308.

## 17 Taxes

DESCRIPTION	AMOUNT
LICENSES & TAXES	5,279.
	=====
TOTAL AMOUNT:	5,279.

=====

FORM 1120, PAGE 1 SUPPORTING DETAIL

## 26 Other Deductions

DESCRIPTION	AMOUNT
CHEMICALS	13,361.
INSURANCE	3,756.
MAINTENANCE	44,832.
OFFICE EXPENSE	2,707.
PROFESSIONAL FEES	17,240.
SEWER	6,180.
SLUDGE HAULING	32,831.
UTILITIES	25,806.
MISCELLANEOUS	14.
	=====
TOTAL AMOUNT:	146,727.

## SCHEDULE K LINE 5 SCHEDULE OF 50% OR MORE OWNERS

NAME DONALD RIDGE

TIN 402-22-8615

NAME

TIN

Percentage owned 100

## =====

## SCHEDULE L

## 6 Other current assets.

DESCRIPTION	BEGIN BALANCE	END BALANCE
N/R-PALMETTO	7,741.	7,241.
N/R-DSR	12,182.	6,182.
N/R-RIDGEWOOD FARMS	1,000.	1,000.
	=====	=====
TOTAL AMOUNT:	20,923.	14,423.

## STATEMENT 1

2000

HILLRIDGE FACILITIES, INC.

61-0977430

CARRYFORWARD OF NET OPERATING LOSS TO YEAR 2000	\$4,220
APPLIED TO 2000	3,452
	-----
CARRYFORWARD TO 2001	768

STATEMENT OF CONSENT TO APPORTIONMENT PLAN UNDER IRC SEC. 1561(a), AS AMENDED

The undersigned corporation hereby consent to the following apportionment plan with respect to December 31, 2000, under Internal Revenue Code Section 1561(a), as amended by P.L. 95-600, as it applies to tax years beginning after December 31, 1978.

NAME AND ADDRESS	EMPLOYER IDENT. NO.	TAXABLE YEAR	AMOUNT OF EACH BRACKET APPORTIONED	FED	KY
1. HILLRIDGE FACILITIES, INC. 17825 BRADBE ROAD FISHERVILLE, KY 40023	61-0977430	1-1-2000 TO 12-31-2000	1st: \$ 2nd: \$ 3rd: \$ 4th: \$	-0-	-0-
2. PALMETTO LAND Co., INC. 17825 BRADBE ROAD FISHERVILLE, KY 40023	61-0651543	9-1-1999 TO 8-31-2000	1st: \$ 2nd: \$ 3rd: \$ 4th: \$	<10,633>	<10,633>
3.		TO	1st: \$ 2nd: \$ 3rd: \$ 4th: \$		
4.		TO	1st: \$ 2nd: \$ 3rd: \$ 4th: \$		
5.		TO	1st: \$ 2nd: \$ 3rd: \$ 4th: \$		

The original of this election is being filed with the Internal Revenue Service at CINCINNATI, OHIO

TOTAL \$100,000

together with the tax return of HILLRIDGE FACILITIES, INC., which is the first Corp. filing for a taxable year including Dec. 31. All other Corporations are including a copy of this consent with their returns.

1. <u>HILLRIDGE FACILITIES, INC.</u>	X	by: <u>DON RIDGE</u>	<u>PRES.</u> office
(name of corp.)			
2. <u>PALMETTO LAND Co., INC.</u>	X	by: <u>DON RIDGE</u>	<u>PRES.</u> office
(name of corp.)			
3.		by:	office
(name of corp.)			
4.		by:	office
(name of corp.)			
5.		by:	office
(name of corp.)			

Form **4562****Depreciation and Amortization**

(Including Information on Listed Property)

OMB No. 1545-0172

**2000**  
**67**Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return

▶ See separate instructions. ▶ Attach this form to your return.

**HILLRIDGE FACILITIES, INC.**

Business or activity to which this form relates

**Form 1120**

Identifying number

**61-0977430****Part I Election To Expense Certain Tangible Property (Section 179)**

Note: If you have any "listed property," complete Part V before you complete Part I.

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	\$20,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7	Listed property. Enter amount from line 27	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from 1999. See page 3 of the instructions	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12	13

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 2000 Tax Year (Do not include listed property.)****Section A - General Asset Account Election**14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ☐**Section B - General Depreciation System (GDS) (See page 3 of the instructions.)**

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)**

16 a Class life					S/L	
b 12-Year			12 yrs.		S/L	
c 40-Year			40 yrs.	MM	S/L	

**Part III Other Depreciation (do not include listed property.) (See page 3 of the instructions.)**

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	123.
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	3,453.

**Part IV Summary (See page 6 of the instructions.)**

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	3,576.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

For Paperwork Reduction Act Notice, see separate instructions

Form 4562 (2000)

**Schedule J Tax Computation** (See page 17 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) . . . . .	<input type="checkbox"/>	
<b>Important:</b> Members of a controlled group, see instructions on page 17.			
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000 and \$9,925,000 taxable income brackets (in that order):		
	(1) \$ <u>                    </u>	(2) \$ <u>                    </u>	(3) \$ <u>                    </u>
b	Enter the corporation's share of:		
	(1) Additional 5% tax (not more than \$11,750)	\$ <u>                    </u>	
	(2) Additional 3% tax (not more than \$100,000)	\$ <u>                    </u>	
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) . . . . .	<input type="checkbox"/>	3
4	Alternative minimum tax (attach Form 4626) . . . . .		4
5	Add lines 3 and 4 . . . . .		5
6a	Foreign tax credit (attach Form 1118) . . . . .	6a	
b	Possessions tax credit (attach Form 5735) . . . . .	6b	
c	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)	6c	
d	General business credit. Enter here & check which forms are attached: <input type="checkbox"/> 3800		
	<input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826		
	<input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	6d	
e	Credit for prior year minimum tax (attach Form 8827) . . . . .	6e	
f	Qualified zone academy bond credit (attach Form 8860) . . . . .	6f	
7	Total credits. Add lines 6a through 6f . . . . .		7
8	Subtract line 7 from line 5 . . . . .		8
9	Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .		9
10	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 . . . . .		10
11	Total tax. Add lines 8 through 10. Enter here and on line 31, page 1 . . . . .		11

**Schedule K Other Information** (See page 19 of instructions.)

1	Check method of accounting: a <input checked="" type="checkbox"/> Cash	Yes	No		
	b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <u>                    </u>				
2	See page 21 of the instructions and enter the:				
a	Business activity code <u>6550</u>				
b	Business activity <u>SANITATION</u>				
c	Product or service <u>SEWER</u>				
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267 (c).) . . . . .		X		
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.				
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . .		X		
	If "Yes," enter name and EIN of the parent corporation <u>                    </u>				
5	At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267 (c).) . . . . .		X		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned <u>100</u>				
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 310.) . . . . .				
	If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.				
	If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.				
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? . . . . .		X		
	If "Yes,"				
a	Enter percentage owned <u>                    </u>				
b	Enter owner's country <u>                    </u>				
c	The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached <u>                    </u>				
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . .				
	If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.				
9	Enter the amount of tax-exempt interest received or accrued during the tax year <u>\$</u>				
10	Enter the number of shareholders at the end of the tax year (if 75 or fewer) <u>1</u>				
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . .				
12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) <u>\$</u>				
	<u>4,220.</u>				

**Note:** If the corporation, at any time during the tax year, has assets or operated a business in a foreign country or U.S. possession it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

**Schedule L Balance Sheets per Books**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash . . . . .		2,597.		16,125.
2 a Trade notes and accounts receivable . . . . .				
b Less allowance for bad debts . . . . .				
3 Inventories . . . . .				
4 U.S. government obligations . . . . .				
5 Tax-exempt securities (see instructions) . . . . .				
6 Other current assets (attach schedule) . . . . .		20,923.		14,423.
7 Loans to shareholders . . . . .				
8 Mortgage and real estate loans . . . . .				
9 Other investments (attach schedule) . . . . .				
10a Buildings and other depreciable assets . . . . .	283,533.		283,533.	
b Less accumulated depreciation . . . . .	214,508.	69,025.	218,084.	65,449.
11a Depletable assets . . . . .				
b Less accumulated depletion . . . . .				
12 Land (net of any amortization) . . . . .		36,000.		36,000.
13a Intangible assets (amortizable only) . . . . .				
b Less accumulated amortization . . . . .				
14 Other assets (attach schedule) . . . . .				
15 Total assets . . . . .		128,545.		131,997.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable . . . . .				
17 Mortgages, notes, bonds payable in less than 1 yr . . . . .				
18 Other current liabilities (attach schedule) . . . . .				
19 Loans from shareholders . . . . .		61,848.		61,848.
20 Mortgages, notes, bonds payable in 1 yr. or more . . . . .				
21 Other liabilities (attach schedule) . . . . .				
22 Capital stock: a Preferred stock . . . . .				
b Common stock . . . . .	500.	500.	500.	500.
23 Additional paid-in capital . . . . .				
24 Retained earnings - Appropriated (attach sched.) . . . . .				
25 Retained earnings - Unappropriated . . . . .		66,197.		69,649.
26 Adjustments to shareholder's equity (attach schedule) . . . . .				
27 Less cost of treasury stock . . . . .				
28 Total liabilities and shareholders' equity . . . . .		128,545.		131,997.

Note: The corporation is not required to complete Schedules M-1 and M-2 if the total assets on line 15, col. (d) of Schedule L are less than \$25,000.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 20 of instructions.)**

1 Net income (loss) per books . . . . .	3,452.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax . . . . .		Tax-exempt interest \$	
3 Excess of capital losses over capital gains . . . . .			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation . . . . . \$		a Depreciation . . . . . \$	
b Contributions carryover \$		b Contributions carryover \$	
c Travel and entertainment \$			
6 Add lines 1 through 5 . . . . .	3,452.	9 Add lines 7 and 8 . . . . .	
		10 Income (line 28, page 1) - line 6 less line 9	3,452.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1 Balance at beginning of year . . . . .	66,197.	5 Distributions: a Cash . . . . .	
2 Net income (loss) per books . . . . .	3,452.	b Stock . . . . .	
3 Other increases (itemize):		c Property . . . . .	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6 . . . . .	
4 Add lines 1, 2, and 3 . . . . .	69,649.	8 Balance at end of year (line 4 less line 7)	69,649.



720

41A720

Revenue Cabinet

Kentucky Corporation Income  
and License Tax Return

(S Corporations Use Form 720S)

2000

Taxable Year Ending

12/31/00

See separate  
instructions.

Taxable period beginning \_\_\_\_\_, 2000, and ending \_\_\_\_\_, 2000.

B Federal  
Identification Number

610977430

C Kentucky  
Account Number

A Check applicable box(es).

Income Tax Return

☐ Corporate entity☐ Consolidated☐ Return not required

Enter code \_\_\_\_\_

License Tax Return

☐ Corporate entity☐ Consolidated☐ Return not required

Enter code \_\_\_\_\_

Name of Corporation or Affiliated Group (Please preaddress label here; otherwise print or type)

HILLRIDGE FACILITIES, INC.

State and Date of Incorporation

KY 9-1-65

Number and Street

17825 BRADBE ROAD

Principal Business Activity in KY

SANITATION

City

FISHERVILLE

State

KY

ZIP Code

40023

Telephone Number

Kentucky Business Code No.

6550

D Name of Common Parent

Kentucky Account Number

Federal Business Code Number

6550

E Check if applicable: ☐ LLC ☐ Initial return ☐ Final return ☐ Short-period return ☐ Change of name/address

## PART I TAXABLE INCOME COMPUTATION

1. Federal taxable income (Form 1120, line 23;  
Form 1120A, line 24)

3,452

## ADDITIONS:

2. Interest income (state and local obligations)

3. State taxes based on net/gross income

4. Safe harbor lease adjustment

5. Deductions attributable to nontaxable income

6. Other (attach schedule)

7. Total (add lines 1 through 6)

3,452

## SUBTRACTIONS:

8. Interest income (U.S. obligations)

9. Dividend income

10. Federal work opportunity credit

11. Safe harbor lease adjustment

12. Other (attach schedule)

13. Net income (line 7 less lines 8 through 12)

14. Taxable net income (attach Sch. A

if applicable)

15. Net operating loss deduction

16. Taxable net income (after NOLD)

<3,452>  
-0-

## PART II—INCOME TAX COMPUTATION

1. Income tax liability (see instructions)

2. Economic development tax credit

3. Unemployment tax credit

4. Recycling/composting equipment tax credit

5. Coal conversion tax credit

6. Enterprise zone tax credit

7. Kentucky investment fund tax credit

8. Coal incentive tax credit

9. Net income tax liability

10. Estimated payments

11. Extension payment

12. Prior year's credit

13. License tax overpayment (Part III, line 23)

14. Income tax due

15. Income tax overpayment

16. Credited to 2000 license tax

17. Credited to 2001

18. Amount to be refunded

## PART III—LICENSE TAX COMPUTATION

1. Capital stock

2. Computation of surplus

(a) Total assets

(b) Less debt

(c) Net assets

(d) Less capital stock

3. Surplus (line 2c minus 2d)

4. Advances by affiliated companies

5. Intercompany accounts

6. Borrowed money

7. Less monies borrowed for inventory

8. Less KRS 136.071 deduction

9. Total capital (combine lines 1 and 3 through 8)

10. Apportionment fraction (attach Sch. A if applicable)

11. Capital employed subject to tax

12. Tax before credit (line 11 multiplied by .0021)

13. License tax credit (maximum \$490)

14. License tax liability (minimum \$30)

15. Kentucky investment fund tax credit

16. KIRA tax credit (see instructions)

17. Coal incentive tax credit

18. Net license tax liability

19. Extension payment

20. Income tax overpayment (Part II, line 10)

21. License tax due

22. License tax overpayment

23. Credited to 2000 income tax

24. Credited to 2001

25. Amount to be refunded

Mail return with payment to:

Kentucky Revenue Cabinet, Frankfort, Kentucky 40620.

TAX PAYMENT SUMMARY (Round to Nearest Dollar) Make check(s) payable to Kentucky State Treasurer.

Income

Penalty

Interest

41A7200013

Licensee

TOTAL

(Including Penalty  
and Interest)Federal Form 1120, pages 1 and 4, or  
1120A, pages 1 and 2, must be attached.



**SCHEDULE Q—KENTUCKY CORPORATION QUESTIONNAIRE**

**IMPORTANT:** Questions 4—12 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. **Failure to do so may result in a request for a delinquent return.**

1. Indicate whether: (a) ☐ completely new business; (b) ☐ successor to previously existing business which was organized as: (1) ☐ corporation; (2) ☐ partnership; (3) ☐ sole proprietorship; or (4) ☐ other \_\_\_\_\_

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.

2. List the following **Kentucky** account numbers. Enter N/A for any number not applicable.

Employer Withholding \_\_\_\_\_  
Sales and Use Tax Permit \_\_\_\_\_  
Consumer Use Tax \_\_\_\_\_  
Unemployment Insurance \_\_\_\_\_  
Coal Severance and/or \_\_\_\_\_  
Processing Tax \_\_\_\_\_

3. If a foreign corporation, enter the date qualified to do business in Kentucky. \_\_\_\_ / \_\_\_\_ / \_\_\_\_

4. The corporation's books are in care of: (name and address)

COMPANY  
COMPANY ADDRESS

5. Did the corporation at any time during the taxable year own 50 percent or more of the voting stock of another corporation, either domestic or foreign? ☐ Yes ☐ No

6. Did any corporation, individual, partnership, trust or association at any time during the taxable year own 50 percent or more of the corporation's voting stock? ☒ Yes ☐ No  
If "Yes," attach a schedule listing the name, address and federal I.D. number of the entity. *SEE BELOW*

7. If the corporation has a KNOI for the taxable year and is electing to forego the net operating loss carryback period, check here ☐.

8. Is the corporation a partner in a partnership doing business in Kentucky? ☐ Yes ☒ No  
If "Yes," list name and federal I.D. number of the partnership \_\_\_\_\_

Did the corporation have property or payroll in Kentucky, other than partnership property or payroll? ☐ Yes ☒ No

9. Was this return prepared on: (a) ☒ cash basis, (b) ☐ accrual basis, (c) ☐ other \_\_\_\_\_

10. Is the corporation a public service corporation subject to taxation under KRS 136.120? ☐ Yes ☒ No

11. (a) Did the corporation file a Kentucky intangible property tax return for January 1, 2001? ☐ Yes ☒ No

- (b) Did the corporation file a Kentucky tangible personal property tax return for January 1, 2001? ☐ Yes ☒ No

12. Is the corporation currently under audit by the Internal Revenue Service? ☐ Yes ☒ No

If "Yes," enter years under audit \_\_\_\_\_

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this Cabinet, check here ☐ and file Form 720X, Amended Kentucky Corporation Income Tax and Corporation License Tax Return, for each year adjusted and attach a copy of the final determination.

**OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)**

Has the officer information entered below changed from the last return filed? ☐ Yes ☒ No

President's Name: DONALD RIDGE

President's Home Address: 17825 BRADBE ROAD

FISHERVILLE, KY 40023

100% STOCK OWNER

President's Social Security Number: 402-22-8616

Vice President's Name: \_\_\_\_\_

Vice President's Home Address: \_\_\_\_\_

Vice President's Social Security Number: \_\_\_\_\_

Treasurer's Name: \_\_\_\_\_

Treasurer's Home Address: \_\_\_\_\_

Treasurer's Social Security Number: \_\_\_\_\_

Secretary's Name: \_\_\_\_\_

Secretary's Home Address: \_\_\_\_\_

Secretary's Social Security Number: \_\_\_\_\_

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

41A7200023

Signature of principal officer or chief accounting officer

WILLIAM W. HOLLISTER, PSC

Name and Social Security or federal identification number of person or firm preparing return

Date

6-1-1175331

## DEPRECIATION SUMMARY REPORT

2000

Ascending Description

PAGE 1

HILLRIDGE FACILITIES, INC.

EIN

TYPE	DATE PLACED	% USE	COST	LAND	BASIS	PERIOD	METHOD	DEPR	PRIOR	SEC 179	CURRENT YR
DESCRIPTION OF ASSET	IN SERVICE			VALUE			CONV	%	ACCUM	EXPENSE	DEDUCTION

BUILDING	COLLECTION SEWERS FORCE	06/79	100%	5245	0	5245	50.0	SL	M	2.000%	2151	0	105
BUILDING	FILTER	09/91	100%	25500	0	25500	20.0	SL	M	5.000%	10519	0	1275
BUILDING	LIFT STATION	06/79	100%	10448	0	10448	50.0	SL	M	2.000%	4286	0	209
BUILDING	PUMPING EQUIPMENT	06/79	100%	13604	0	13604	10.0	SL	M	10.000%	13604	0	0
BUILDING	TWO DOORS	10/88	100%	565	0	565	6.0	SL	M	16.670%	565	0	0
BUILDING	SEWERS-FORCE	06/65	100%	9400	0	9400	50.0	SL	M	2.000%	6489	0	188
BUILDING	LIFT STATIONS	06/75	100%	10820	0	10820	50.0	SL	M	2.000%	5304	0	216
BUILDING	PLANT/FILTER	06/75	100%	246671	0	246671	50.0	SL	M	2.000%	120930	0	4933
BUILDING	PLANT/FILTER	06/66	100%	92970	0	92970	50.0	SL	M	2.000%	62323	0	1859
BUILDING	PUMPING EQUIPMENT	06/75	100%	15038	0	15038	10.0	SL	M	10.000%	15038	0	0
EQUIPMENT	PRESSURE WASHER	09/96	100%	733	0	733	7.0	NONE	MQ	14.290%	504	0	91
EQUIPMENT	PRESSURE WASHER	10/96	100%	654	0	654	7.0	NONE	MQ	14.290%	450	0	82
GRAVITY		06/68	100%	15760	0	15760	50.0	SL	M	2.000%	9933	0	315
GRAVITY		06/71	100%	57663	0	57663	50.0	SL	M	2.000%	32885	0	1153
GRAVITY		06/72	100%	41055	0	41055	50.0	SL	M	2.000%	22590	0	821
GRAVITY		06/73	100%	49957	0	49957	50.0	SL	M	2.000%	26409	0	999
GRAVITY		06/74	100%	68056	0	68056	50.0	SL	M	2.000%	34726	0	1361
GRAVITY		06/75	100%	19684	0	19684	50.0	SL	M	2.000%	9650	0	394
GRAVITY		06/79	100%	70901	0	70901	50.0	SL	M	2.000%	29083	0	1418
GRAVITY	AERATOR TIME CLOCK	09/88	100%	358	0	358	6.0	SL	M	16.670%	358	0	0
GRAVITY	AIR VALVE ON SCRIMMER	03/88	100%	468	0	468	6.0	SL	M	16.670%	468	0	0
GRAVITY	COLLECTION SEWERS GRAVITY	06/65	100%	193255	0	193255	50.0	SL	M	2.000%	133415	0	3865
GRAVITY	EQUIPMENT	06/66	100%	52337	0	52337	10.0	SL	M	10.000%	52337	0	0
GRAVITY	EQUIPMENT	06/75	100%	87300	0	87300	10.0	SL	M	10.000%	87300	0	0
GRAVITY	MOTOR	01/88	100%	362	0	362	6.0	SL	M	16.670%	362	0	0
GRAVITY	RETENTION TANK COVER	09/88	100%	384	0	384	6.0	SL	M	16.670%	384	0	0
GRAVITY	SLUDGE RETURN BLOWER	05/88	100%	1542	0	1542	6.0	SL	M	16.670%	1542	0	0
GRAVITY	SLUDGE RETURN LINE MOTOR	03/88	100%	389	0	389	6.0	SL	M	16.670%	389	0	0
GRAVITY	SLUDGE RETURN MOTOR	03/88	100%	363	0	363	6.0	SL	M	16.670%	363	0	0
GRAVITY	SLUDGE TANK MOTOR	01/88	100%	526	0	526	6.0	SL	M	16.670%	526	0	0
LAND	LAND	06/64	100%	0	15000	0	36.0		M	0.000%	0	0	0
LAND	LAND	06/73	100%	0	21000	0	27.0		M	0.000%	0	0	0

TOTAL ASSETS AT BEGINNING OF TAX YEAR	32	1092008	36000	1092008		684963	0	19284
PLUS ADDITIONS THIS YEAR	0	0	0	0		0	0	0
(*) LESS DISPOSITIONS THIS YEAR	0	0	0	0		0	0	0
NET ASSETS AT END OF TAX YEAR	32	1092008	36000	1092008		684963	0	19284

GRAND TOTAL		1092008	36000	1092008		684963	0	19284
-------------	--	---------	-------	---------	--	--------	---	-------

## TOTAL BY ASSET TYPE

TYPE	COUNT	COST	LAND	SEC 179	BASIS	PRIOR	CURRENT YEAR	TOTAL
			VALUE	EXPENSE		ACCUM	DEPRECIATION	ACCUM DEPR
	32	1,092,008.00	36,000.00	0.00	1,092,008.00	684,963.00	19,284.00	704,247.00
TOTAL	32	1,092,008.00	36,000.00	0.00	1,092,008.00	684,963.00	19,284.00	704,247.00

## DEPRECIATION SUMMARY REPORT

2000

Ascending Description

PAGE 2

CONTINUED

HILLRIDGE FACILITIES, INC.

EIN

TOTAL OF ASSETS HELD AT YEAR END BY ASSET TYPE

FISCAL YEAR 01/01/2000 TO 12/31/2000

TYPE	COUNT	COST	LAND VALUE	SEC 179 EXPENSE	BASIS	PRIOR ACCUM	CURRENT YEAR DEPRECIATION	TOTAL ACCUM DEPR
	32	1,092,008.00	36,000.00	0.00	1,092,008.00	684,963.00	19,284.00	704,247.00
TOTAL	32	1,092,008.00	36,000.00	0.00	1,092,008.00	684,963.00	19,284.00	704,247.00

PUBLIC SERVICE COMMISSION OF KENTUCKY  
PRINCIPAL PAYMENT AND INTEREST INFORMATION  
FOR THE YEAR ENDING DECEMBER 31, 20 00

1. Amount of Principal Payment during calendar year \$ - 0 -
2. Is Principal current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
3. Is Interest current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_

SERVICES PERFORMED BY  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?

YES X NO \_\_\_\_\_

If yes, which service is performed?

Audit \_\_\_\_\_

Compilation X \_\_\_\_\_

Review \_\_\_\_\_

Please enclose a copy of the accountant's report with annual report.

WILLIAM W. HOLLISTER, PSC  
CERTIFIED PUBLIC ACCOUNTANT  
7607 PRESTON HIGHWAY  
LOUISVILLE, KY 40219  
TEL (502) 969-6115  
FAX (502) 966-4241

March 7, 2001

To the Board of Directors  
Hillridge Facilities, Inc.  
Fisherville, KY 40023

Gentlemen:

I have compiled the balance sheet of Hillridge Facilities, Inc. (a corporation) as of December 31, 2000, and the related statements of income and retained earnings for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Public Service Commission of Kentucky information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Kentucky, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by me, and accordingly, I assume no responsibility for that information.

Sincerely,

*William W. Hollister, PSC*

William W. Hollister, PSC

AUDIT OF THE ANNUAL REPORT  
SEWER UTILITIES

To Be Completed and Returned With Annual Report

Page 1

<u>Page No.</u>	<u>Line No.</u>	<u>Page No.</u>	<u>Line No.</u>	<u>Yes</u>	<u>No</u>	<u>If No, Explain Why</u>
2	4	agrees with	4 12	X		
2	6	agrees with	4 15 (Utility Plant)	X		
2	7	agrees with	4 17 (Utility Plant)	X		
4	1	(Utility Plant)	5 40	X		
4	23	agrees with	4 15 (Utility Plant)	X		
3	4 & 5	agrees with	6 Capital Stock	X		
3	10	agrees with	7 Balance End of Year Statement of Retained Earnings	X		
3	19	agrees with	6 Long-Term Debt, Total (d)	X		
3	23	agrees with	6 Notes Payable, Total (e)	X		
3	29	agrees with	6 Interest Accrued, Balance End of Year, Total	X		
3	30	agrees with	7 21	X		
4	3	(Depreciation)	8 25	X		
6	Interest Accrued	agrees with	8 40	X		
6	During Year-LTP Interest Accrued	agrees with	8 43	X		
8	24	agrees with	9 52	X		
8	27	agrees with	10 Acct. 408.1	X		
8	28	agrees with	10 Total Income Taxes Utility Operating Income	X		

AUDIT OF THE ANNUAL REPORT

SEWER UTILITIES

Page 2

TO BE COMPLETED AND RETURNED WITH ANNUAL REPORT

<u>Page No.</u>	<u>Line No.</u>	<u>Page No.</u>	<u>Line No.</u>	<u>Yes</u>	<u>No</u>	<u>If No, Explain Why</u>
8	26	agrees with	10	Amortization Expense	X	
8	44	agrees with	10	Account 408.2	X	
8	45	agrees with	10	Total Income Taxes Nonutility Operating Income	X	
Pages 11 and 12 have been completed						
The Oath Page has been completed						

# Additional Information Required by Commission Orders

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date of Order	Item/Explanation

Attach additional sheets if more room is needed



## GENERAL INFORMATION

1. Exact name of utility making this report(Use the words "The", "Company", "Incorporated" only when a part of the corporate name)\_\_\_\_\_

## Hillridge Facilities

2. Give the location including street, zip code and telephone number of the principal office in Kentucky 17825 Bradbe Road

11825 Bradbe. Road  
Fishersville, Ky 40023  
(502) 267-7091

3. Give name, title, address and telephone number of the officer to whom correspondence concerning this report should be addressed

Don Ridge, President  
17825 Bradbe Road

Fishersville Ky 40023 (502) 267-7091

4. Name of State under the laws of which respondent is incorporated and the date of incorporation Ky 1966

5. Date sewer utility began operations September 1966

6. Name of City, Town, Community, Sub-division and County in which respondent furnishes sewer service

Hillridge East and Hillridge Subdivisions  
Northeast Corner of Kirby Lane and Wattersen Trail

7. Number of employees: Full time \_\_\_\_\_, Part time \_\_\_\_\_

## PRINCIPAL OFFICERS

[illegible]

# BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First Of Year	Balance Last Of Year
1			
2	UTILITY PLANT		
3			
4	Utility Plant(101-109)	1,128,010.93	1,128,010.93
5	Less: Accum. Prov. for Depr. and Amort.		
6	of Utility Plant(110)	684,966.77	704,252.81
7	Net Utility Plant	443,044.16	423,758.12
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Non-Utility Property(121)		
12	Less: Accum. Prov. for Depr. and Amort.		
13	of Non-Utility Property(122)		
14	Net Non-Utility Property		
15	Other Investments(124)		
16	Special Funds(125)		
17			
18			
19	Total Other Property and Investments		
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds(131)	2,546.90	16,124.86
24	Temporary Cash Investments(132)		
25	Notes Receivable(141)		
26	Customer Accounts Receivable(142)	5,040.47	4,984.33
27	Other Accounts Receivable(143)		
28	Accum. Prov. for Uncollectible Accts.-Cr.(144)		
29	Notes Receivable from Assoc. Companies(145)	20,922.94	14,422.94
30	Accounts Receivable from Assoc. Companies(146)		
31	Materials and Supplies(150)		
32	Prepayments(166)		
33	Other Current and Accrued Assets(170)		
34	Deferred Taxes	2,831.85	2,831.85
35			
36			
37	Total Current and Accrued Assets	31,392.16	38,364.53
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expense(181)		
42	Extraordinary Property Losses(182)		
43	Other Deferred Debits(183)		
44			
45			
46			
47	Total Deferred Debits		
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	474,436.32	462,122.65

# BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First Of Year	Balance Last Of Year
1	EQUITY CAPITAL		
2			
3			
4	Common Capital Stock(201)	500.00	500.00
5	Preferred Capital Stock(204)		
6	Other Paid-In Capital(207)	710,722.47	710,722.47
7	Discount on Capital Stock(213)		
8	Capital Stock Expense(214)		
9	Appropriated Retained Earnings(215)		
10	Unappropriated Retained Earnings(216)	< 298,634.99 >	< 342,024.14 >
11	Non-Corporate Proprietorship(218)		
12	Total Equity Capital	412,538.08	369,198.33
13	LONG TERM DEBT		
14			
15			
16	Bonds(221)		
17	Advances From Associated Companies(223)		
18	Other Long Term Debt(224)		
19	Total Long Term Debt		
20	CURRENT AND ACCRUED LIABILITIES		
21			
22			
23	Notes Payable(231)		
24	Accounts Payable(232)	-0-	31,076.08
25	Notes Payable to Associated Companies(233)		
26	Accounts Payable to Associated Companies(234)	61,848.24	61,848.24
27	Customer Deposits(235)		
28	Taxes Accrued(236)		
29	Interest Accrued(237)		
30	Other Current and Accrued Liabilities(238)		
31	Total Current and Accrued Liabilities	61,848.24	92,924.32
32	DEFERRED CREDITS		
33			
34			
35	Advances for Construction(252)		
36	Other Deferred Credits(253)		
37	Accum. Deferred Investment Tax Credits(255)		
38	Total Deferred Credits		
39	Operating Reserves(261-265)		
40			
41			
42	Contributions in Aid of Construction(271)		
43	ACCUMULATED DEFERRED INCOME TAXES		
44			
45			
46	Accum. Def. Income Taxes-Accel. Amort.(281)		
47	Accum. Def. Income Taxes-Lib. Depr.(282)		
48	Accum. Def. Income Taxes-Other(283)		
49	Total Accum. Deferred Income Taxes		
50	TOTAL LIABILITIES AND OTHER CREDITS	474,436.32	462,122.65

# SUMMARY OF UTILITY PLANT

Line No.	Acct No.	Item	Amount
		UTILITY PLANT	
1		In Service:	
2	101	Plant in Service Classified(from pg. 5, line 40)	1,128,010.93
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total-In Service	1,128,010.93
7	104	Utility Plant Leased to Others	
8	105	Property Held for Future Use	
9	107	Construction Work in Progress	
10	108	Utility Plant Acquisition Adjustments	
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant(to pg. 2, line 4)	1,128,010.93
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amort. of Utility Plant(to pg. 2, line 6)	704,252.81
16			
17		NET UTILITY PLANT(to pg. 2, line 7)	423,758.12

## ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Item	Amount
1	Balance Beginning of Year	684,966.77
2	Accruals for Year:	
3	Depreciation	19,286.04
4	Amortization	
5	Other Accounts(detail):	
6	-	
7		
8	Total Accruals for Year	
9	Credit Adjustments(describe):	
10		
11		
12	Total Credits for Year	
13		
14	Net Charges for Plant Retired:	
15	Book Cost of Plt. Ret.(same as pg. 5, line 40)	
16	Add: Cost of Removal	
17	Less: Salvage	
18	Net Charges for Plant Retired	
19	Debit Adjustments(describe):	
20		
21		
22	Total Debit Adjustments for Year	
23	Balance End of Year	704,252.81

# SEWER UTILITY PLANT IN SERVICE

Report in col. (e) entries reclass. property from one acct. to another. Corrections of entries of the prec. yr. should be recorded in col. (c) or (d) as they are corrections of additions or retirements.

Line No.	Account	Depr. Rate	Balance First of Yr	Additions	Retire-ments	Adj.-Inc. or Dec.	Balance End of Year
1	INTANGIBLE PLANT						
2	Organization(301)	---					
3	Franchise and Consents(302)	---					
4	Miscellaneous Intangible Plant(303)	---					
5	Total Intangible Plant	---					
6	LAND AND STRUCTURES						
7	Land and Land Rights(310)	---	36,000.00				36,000.00
8	Structures and Improvements(311)	6.50 Yr	345,700.25				345,700.25
9	Total Land and Structures	5 1/2	401,700.25				401,700.25
10	COLLECTION PLANT						
11	Collection Sewers-Force(352.1)	50 Yrs S/L	14,645.00				14,645.00
12	Collection Sewers-Gravity(352.2)	30 Yrs S/L	576,331.35				576,331.35
13	Other Collection Plant Facilities(353)						
14	Services to Customers(354)						
15	Flow Measuring Devices(355)						
16	Total Collection Plant		530,976.35				530,976.35
17	PUMPING PLANT						
18	Receiving Wells and Pump Pits(362)	20 Yrs S/L	21,268.00				21,268.00
19	Pumping Equipment-Electric(363A)	20 Yrs S/L	28,642.00				28,642.00
20	Pumping Equipment-Diesel(363B)						
21	Pumping Equipment-Other(363C)						
22	Total Pumping Plant		49,910.00				49,910.00
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon(372)						
25	Treatment and Disposal Equipment(373)	6-10 Yrs	145,418.33				145,418.33
26	Plant Sewers(374)						
27	Outfall Sewer Lines(375)						
28	Other Treat. & Dis. Plt. Equip.(376)						
29	Total Treatment and Disposal Plant		145,418.33				145,418.33
30	GENERAL PLANT						
31	Office Furniture and Equipment(391)						
32	Transportation Equipment(392)						
33	Stores Equipment(393A)						
34	Tools, Shop & Garage Equipment(393B)						
35	Laboratory Equipment(393C)						
36	Power Operated Equipment(393D)						
37	Communication Equipment(393E)						
38	Other Tangible Property(393F)						
39	Total General Plant						
40	TOTAL SEWER PLANT IN SERVICE		1,128,010.93				1,128,010.93

## CAPITAL STOCK

Class and Series of Stock (a)	No. Of Shares Auth. (b)	Par Value Per Share of Par Value Stk. (c)	Stated Val. Per Share Of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)
Common	10	50		10	500.00

## LONG-TERM DEBT

List Each Original Issue Amt., Class & Series of Obligation (a)	Date Of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest For The Year	
				Rate (e)	Amount (f)
None					
Total					

## NOTES PAYABLE

(Include Notes Payable to Associated Companies Under This Heading)

Name of Payee (a)	Date Of Note (b)	Date Of Maturity (c)	Interest Rate (d)	Balance End Of Year (e)
Don Ridge	1992	2001	5.0	61,848.24
Total				61,848.24

## INTEREST ACCRUED

Description Of Obligation (a)	Int. Accr. Balance First Of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accr. Balance End Of Year
Acct Payable, Assoc. Co.	none	none	none	none
Total				

# OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with page 3, line 30, Acct. No. 238)	

# STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS(216)		
Balance Beginning of Year	< 298,134.79 >	< 279,932.24 >
Balance Transferred From Income(435)	< 43,389.75 >	< 18,702.13 >
Appropriations of Retained Earnings(436):		
Dividends Declared-Preferred Stock(437)		
Dividends Declared-Common Stock(438)		
Adjustments to Retained Earnings(439):		
Balance End of Year	< 342,024.14 >	< 298,634.39 >

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number Of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues-General Customers:	695	173,435.14
3	Residential Revenues(521.1)		
4	Commercial Revenues(521.2)		
5	Industrial Revenues(521.3)		
6	Revenues From Public Authorities(521.4)		
7	Total(521)	695	173,435.14
8	Measured Revenues-General Customers:		
9	Residential Revenues(522.1)		
10	Commercial Revenues(522.2)		
11	Industrial Revenues(522.3)		
12	Revenues From Public Authorities(522.4)		
13	Total(522)		
14	Revenues From Public Authorities(523)		
15	Revenues From Other Systems(524)		
16	Miscellaneous Sewage Revenues(526)		
17	Total Sewage Service Revenues(521-526)		
18	OTHER OPERATING REVENUES		
19	Customers Forfeited Discounts(532)		
20	Miscellaneous Operating Revenues(536)		
21	Total Other Operating Revenues		
22	Total Operating Revenues		
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp.(from pg.9, line52)		192,545.79
25	Depreciation Expense(403)		19,286.04
26	Amortization Expense(404-407/from pg.10)		
27	Taxes Other Than Income Taxes(408.1/from pg.10)		5,300.97
28	Total Income Taxes-Utility Operating Income(from pg.10)		
29	Total Sewage Operating Expenses		217,132.80
30	Net Operating Income		<43,697.66>
31	OTHER INCOME		
32	Income From Nonutility Operations(417)		
33	Interest and Dividend Income(419)		307.91
34	Miscellaneous Nonoperating Income(421)		
35	Other Accounts(Specify Account No. and Title):		
36			
37			
38	Total Other Income		307.91
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt(427)		
41	Amortization of Debt Discount and Expense(428)		
42	Interest on Debt to Associated Companies(430)		
43	Other Interest Expense(431)		
44	Taxes Other Than Income Taxes(408.2/from pg.10)		
45	Total Income Taxes-Nonutil. Operat. Income(from pg.10)		
46	Other Accounts(Specify Account No. and Title):		
47			
48			
49	Total Other Deductions		
50	NET INCOME <less>		<43,389.75>



# SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering(700):	
3	Owner/Manager-Management Fee(700-A)	2,400.00
4	Other Expenses(700-B)	
5	Labor and Expenses(701):	
6	Collection System-Labor, Mat'ls. & Expenses(701-A)	
7	Pumping System-Labor, Mat'ls. & Expenses(701-B)	
8	Treatment System(701-C):	
9	Sludge Hauling	32,830.58
10	Utility Service-Water Cost	
11	Other-Labor, Mat'ls. and Expenses	
12	Rents(702)	
13	Fuel and Power Purchased for Pumping & Treatment(703)	31,742.42
14	Chemicals(704)	13,360.60
15	Miscellaneous Supplies and Expenses(705):	
16	Collection System(705-A)	
17	Pumping System(705-B)	
18	Treatment and Disposal(705-C)	
19	Total Operation Expenses	80,333.60
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering(710):	
22	Routine Maintenance Service Fee(710-A)	25,712.54
23	Internal Supervision and Engineering(710-B)	
24	Maintenance of Structures and Improvements(711)	
25	Maintenance of Collection Sewer System(712)	
26	Maintenance of Pumping System(713)	
27	Maintenance of Treatment and Disposal Plant(714)	
28	Maintenance of Other Plant Facilities(715)	
29	Total Maintenance Expenses	25,712.54
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision(901)	
32	Meter Reading Expenses and Flat Rate Inspections(902)	
33	Customer Records and Collection Expenses(903):	6,194.85
34	Agency Collection Fee(903-A)	
35	Internal Labor, Materials and Expenses(903-B)	
36	Uncollectible Accounts(904)	
37	Miscellaneous Customer Accounts Expenses(905)	
38	Total Customer Accounts Expenses	6,194.85
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries(920)	
41	Office Supplies and Other Expenses(921)	14,476.62
43	Outside Services Employed(923)	17,239.83
44	Insurance Expense(924)	3,756.19
45	Employee Pensions and Benefits(926)	
46	Regulatory Commission Expense(928)	
47	Transportation Expenses(929)	
48	Miscellaneous General Expenses(930)	
49	Rents(931)	
50	Maintenance of General Plant(932)	14,632.16
51	Total Administrative and General Expenses	80,304.80
52	TOTAL SEWER OPERATION & MAINT. EXP.(to pg. 8, line 24)	192,545.79

# TAXES OTHER THAN INCOME TAXES(408)

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 appearing on page 8, lines 27 and 44.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	
2	Property Taxes	
3	Utility Regulatory Commission Assessment	
4	Other(Specify): LICENSES * TAXES	5,300.97
5		
6		
7		
8		
9		
10		
11		
12	TOTAL(Same as page 8, line 27 plus 44)	5,300.97

## OPERATING AND NON-OPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes-Federal	
409.1	Income Taxes-State	
409.1	Income Taxes-Other	
410.1	Provisions for Deferred Income Taxes	
411.1	Income Taxes Deferred in Prior Years-Credit	
412.0	Investment Tax Credits-Net	
	Total Income Taxes-Util. Operat. Income(to pg 8, line 28)	-
409.2	Income Taxes-Federal	
409.2	Income Taxes-State	
409.2	Income Taxes-Other	
410.2	Provisions for Deferred Income Taxes	
411.2	Income Taxes Deferred in Prior Years-Credit	
412.4	Investment Tax Credits-Net	
	Total Inc. Taxes-Nonutil. Op. Income(to pg. 8, line 45)	

## AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404	Amortization of Limited-Term Utility Plant	
405	Amortization of Other Utility Plant	
406	Amortization of Utility Plant Acquisition Adjustments	
407	Amortization of Property Losses	
-	Amortization of Rate Case Expense	
	Total Amortization Expense(to pg. 8, line 26)	

## SEWER PLANT STATISTICS

### PLANT VALUATION

1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on page two, line four: Original Cost, Estimated Cost, Original Cost Study? Original Cost
2. What percentage of Sewer Utility Plant in Service was recovered, by the developer of the subdivision, through the sale of lots? -0- %
3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, ect.) of the plant that represents non-contributed plant 100%
4. By whom were the books of account audited? Public Service Commission  
What was the date of the last audit? 12/31/90  
If unaudited in the past twelve months, when and by whom is the next audit anticipated?

### PHYSICAL DATA OF SEWER PLANT

1. Date of construction of original plant 1965
2. Type of treatment process Extended Aeration and Tertiary Treatment
3. Date and additional G.P.D. Capacity of subsequent additions to plant 1975 200,000 Gallons
4. Population for which plant is designed including population equivalent of industrial waste load 812 Residential

### TREATMENT PLANT OPERATING STATISTICS

1. Total gallons received during the year 94,300,000
2. Total gallons received on maximum day 270,000
3. Maximum G.P.D. Capacity of the sewage treatment plant 326,500
4. Routine maintenance service fee:  
Cost per month \$ 2,050  
Contract expires 1-1-81
5. Sludge hauling:  
Cost per load \$ 498 (5,000 Gal.) + 276 (3,000 Gal.)  
Average number of gallons per load 5,000 + 3,000  
Number of loads this year 63 (5,000 Gal.) + 11 (3,000 Gal.)

# SEWER PLANT STATISTICS

## CUSTOMER STATISTICS-END OF YEAR

Type	Number of Customers	Bi-Monthly Or Monthly Billing?	Number of Bills Pertaining to Each Type of Customer
Residential:			
Single Family	695	Bi-monthly	695
Apartments/Condominiums			
Commercial			
Industrial			
Other (Specify):			
Total	695		695

## INDUSTRIAL CUSTOMERS SERVED

Name And Type Of Industry	Metered Or Estimated Gals.	Pretreatment Of Wastes

## PUMPING STATIONS

Location	Size Of Motor	Type Of Motor	Capacity Gals. Per Day
Kirby Lane	2-10-HP	Electric	200,000
Bigelow Drive	2-10-HP	Electric	48,000
N. Arzooq Ct	2-10-HP	Electric	48,000
Shannon Run Drive	2-10-HP	Electric	48,000

## MAINS (FEET)

Kind Of Pipe (Cast Iron, Vit. clay, concrete)	Diameter Of Pipe	No. Of Feet 1st of Year	Additions	Removed or Abandoned	No. Of Feet End Of Year
Clay	8"	38,685			

## SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year 700  
 Number of stubs as of end of year 712  
 Number of service laterals owned by others none

OATH

State of Kentucky )  
County of Jefferson ) ss.:

Before me, the undersigned officer duly authorized to administer oaths, there personally appeared Don Ridge,  
(Name of affiant)

who, being sworn by me, says on oath that he is in charge of the records of Hillridge Facilities, Inc.  
(Exact legal name of company)

and that the foregoing report is true to the best of his/her knowledge and belief, and that it covers the period from January 1, 2000, to December 31, 2000.

X Don Ridge  
(Signature of affiant)

Subscribed and sworn before me this 8th day of March, 2001.

[Signature]  
Notary Public, County of Jefferson  
My Commission expires October 4, 2003

(Seal)

**KENTUCKY PUBLIC SERVICE COMMISSION**  
**REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY**  
**BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 00**

Hillridge Facilities, Inc.      P.O. Box 100 Fisherville, Ky 40023  
(Utility Reporting)      (Address)

(DO NOT INCLUDE TAXES COLLECTED)

(1) Gross Revenues of Electric Utility.....\$ \_\_\_\_\_  
(2) Gross Revenues of Gas Utility.....\$ \_\_\_\_\_  
(3) Gross Revenues of Water Utility.....\$ \_\_\_\_\_  
(4) Gross Revenues of Sewer Utility.....\$ 173,435.14  
(5) Other Operating Revenues.....\$ \_\_\_\_\_  
  
\*\*\* TOTAL GROSS REVENUES.....\$ 173,435.14

**OATH**

State of Kentucky.....)  
County of Jefferson.....) ss.

Don Ridge being duly sworn, states that he/she is  
(Officer)  
President of the Hillridge Facilities, Inc. that the above  
(Official Title)      (Utility Reporting)  
report of gross revenues is in exact accordance with Hillridge Facilities, Inc. and that such  
(Utility Reporting)  
books accurately show the gross revenues of: Hillridge Facilities, Inc. derived from  
(Utility Reporting)  
Intra-Kentucky business for the calendar year ending December 31, 20 00.

Don Ridge      Pres  
(Officer)      (Title)

This the 8th day of March, 20 01  
Seitza K. Neal      Jefferson      October 4, 2003  
(Notary Public)      (County)      (Commission Expires)

**NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE  
ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE  
RECONCILED ON THE REVERSE OF THIS REPORT.**